

# Company Funding Arrangements – Host-based Sites

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## Scope

This policy applies to all host-based HHMI laboratories. It does not apply to laboratories and shared research facilities at HHMI's Janelia Research Campus.

## Policy

### In General

HHMI's host institutions may accept funding from companies to support research in the laboratories of HHMI Investigators ("Investigators") under the circumstances described in this policy. Any such funding must be consistent with the policies of, and approved by, the applicable host institution, and would be received and administered by the host institution, subject to HHMI review of the funding arrangement in accordance with this policy.

Any funding proposal must be consistent with HHMI's mission as a medical research organization devoted to the promotion of human knowledge within the basic sciences, and its effective application for public good. Each proposal must be reviewed by HHMI in advance, and must satisfy the HHMI requirements described in this policy before the host institution accepts funding for an HHMI laboratory under the arrangement. In addition, HHMI may object to a host institution proceeding with a proposed funding arrangement if it concludes that the arrangement would not be consistent with HHMI's mission or would not be in the best interests of HHMI.

HHMI review is required for all proposals under which a company would provide direct or indirect financial support for research in HHMI laboratories. The requirement for HHMI review applies to any arrangement that would confer a financial benefit on the HHMI laboratory, including direct financial support from companies in the form of a gift or sponsored research, as well as proposals from companies to provide discounts on purchases of equipment, services, or supplies in exchange for rights in the results of HHMI research.

### Company-Funded Research

HHMI permits host institutions to accept funding from companies to support research in HHMI laboratories if, after review, HHMI management concludes that the requirements of this policy are satisfied.

Host institutions should inform the HHMI attorney for the site when the host institution is considering entering into a funding arrangement for an HHMI laboratory or providing funding to an HHMI laboratory under a previously executed master agreement with a company. The host institution is responsible for negotiating the terms of company funding agreements based on the policies and procedures that apply to the host institution's non-HHMI faculty, except as otherwise required by this policy. HHMI is not a party to company funding agreements, just as HHMI is not a party to grant and other funding arrangements between host institutions and other sponsors. HHMI Investigators cannot sign company-sponsored research agreements as a party but may sign to indicate that they have read the agreement and acknowledge its terms.

## **HHMI Requirements**

Arrangements between host institutions and companies providing funding for research in an HHMI laboratory must satisfy each of the following requirements:

1. **Transparency.** The Investigator must confirm that all laboratory members, including postdocs, graduate students, and technicians have been informed of the sponsored project and of research-related terms of the funding arrangement (for example, confidentiality, publication, ability to distribute published materials) that may affect them or their research. The host institution is responsible for ensuring that the application of the research-related terms is limited to the sponsored project and will not negatively impact other research conducted by the laboratory. In addition, the host institution must have a mechanism for laboratory members to raise concerns that may arise regarding the impact of the funding arrangement on them or their research and have procedures for resolving any such concerns.
2. **Conflict of Interest Analysis.** Funding for an HHMI laboratory is not allowed from a given company if the Investigator consults for that company or owns more than 5 percent of that company's equity. In addition, HHMI review and approval is required for any proposal for an Investigator to receive funding from a company founded by the Investigator even if the Investigator owns 5 percent or less of the company's equity. Otherwise, host institutions are responsible for identifying and managing any conflicts of interest. HHMI host institutions must review company funding proposals for HHMI laboratories at their sites under the same conflict of interest policies and principles that apply to other host faculty, and any company funding arrangement for an HHMI laboratory must be consistent with the applicable host institution's conflict of interest policies.
3. **Proper Identification of HHMI Investigator.** Each funding arrangement affecting an HHMI laboratory must properly reflect the nature of the Investigator's relationship to HHMI. For example, a funding agreement that gives a company rights in inventions arising in an HHMI laboratory must specify that the Investigator is an employee of HHMI and assigns rights in inventions to HHMI, which in turn assigns rights in inventions to the host institution, subject to a retained research license for HHMI. Company funding cannot be used to provide any portion of the salary or benefits of any HHMI employee, including Investigators. Laboratory members whose salaries are paid in whole or in part from company funding must be employed by the Investigator's host institution or another entity. HHMI Investigators cannot sign funding agreements as a party but may sign to indicate that they have read the agreement and acknowledge its terms.

4. Project Specific. Except in the case of no-strings-attached gifts, company funding for research in an HHMI laboratory must be designated for a specific project. Each funding arrangement for distinct projects within a lab must be separately approved by HHMI. HHMI does not permit non-project-specific company funding in its laboratories.
5. Path to Publication of Research Results. The results of the project must be publishable on terms acceptable to the Investigator and the host institution, taking into account the nature of the research.
6. Sharing of Published Research Materials. Any reagents or other research materials, data, and software that are integral to a publication of research results must be able to be shared with the academic research community following publication, consistent with [HHMI Policy on Sharing Published Materials/Responsibilities of HHMI Authors](#). Accordingly, the parties to any agreement providing funding for an HHMI laboratory must agree to make any of their materials, data and software that are integral to a publication available upon request (supplies permitting) on reasonable terms to scientists at nonprofit institutions so that others may validate the published results and extend them in new directions.
7. Freedom for Investigators to Pursue Research Objectives. The agreement must allow the Investigator to terminate their participation in the project on reasonable notice and to work alone or with academic collaborators in the research field after the Investigator's participation in the funded project concludes. Restrictions on research in the field with other companies, or with academic colleagues on projects funded by other companies, are permitted if acceptable to the Investigator and the host institution.
8. Limitation on Scope of Rights Granted to Company Sponsor. The agreement cannot provide for assignment to the company of sole ownership of intellectual property developed in an HHMI laboratory. Any rights granted to the company sponsor in intellectual property developed by an HHMI laboratory (e.g., an option to negotiate for a license) must be limited to rights with respect to inventions arising from the funded project and cannot include rights in research by an HHMI laboratory outside the scope of the funded project.
9. Indemnification for HHMI. HHMI must be indemnified by the company for claims and liabilities arising from any commercial use of project research results to the same extent that HHMI requires in licenses by host institutions of inventions made in HHMI laboratories. HHMI must be indemnified by the company to the same extent as the host institution for any other types of claims and liabilities in connection with the funded research. HHMI is not a party to company funding agreements, but should be identified as a third party beneficiary, as appropriate.

## **Procedures for Review of Company-sponsored Research Proposals**

Investigators exploring opportunities for receiving company funding to support proposed research in their laboratory should complete the [HHMI Company Funding Questionnaire](#) on the [HHMI Investigator Portal](#). The Investigator's HHMI attorney and scientific officer will review the information and discuss the proposal with the Investigator to confirm whether the proposed project is consistent with HHMI's medical research mission and advances the Investigator's research.

The Investigator's HHMI attorney will review an early draft of the proposed funding agreement and discuss its research-related terms with the Investigator and appropriate host institution personnel. The purpose of this early review is to provide the Investigator with a clear explanation of the research-related terms of the agreement (for example, confidentiality, publication, ability to distribute published materials, restrictions on future research) while allowing the Investigator and host institution to determine whether the terms, if otherwise consistent with this policy, are acceptable in the context of the particular project under consideration.

The Investigator's HHMI attorney will review a final draft of any funding agreement for an HHMI laboratory, or the terms of any existing master agreement, as applicable, to confirm that the requirements of this policy are satisfied. The HHMI attorney will discuss the final agreement with the Investigator to confirm that the Investigator understands the implications of the agreement for their research. Following written confirmation from the Investigator that the Investigator has read, understands, and is satisfied with the terms of the agreement, HHMI will inform the host institution that HHMI does not object to the host institution proceeding with the arrangement.

## Related Procedures, Forms and Policies

- [Sharing Published Materials/Responsibilities of HHMI Authors](#)
- [Company Funding Questionnaire](#) on the [Investigator Portal](#)

## Contact

Investigator's [HHMI attorney](#)

Issued by: Science  
Issue Date: 05/27/2014  
Last updated: 1/9/2020